

## **MISCELLANEOUS**

The Children's Hospital, the YWCA's Chesterfield Domestic Violence Shelter, Meals on Wheels, and Senior Connections are among many funded agencies that provide crisis intervention and assistance. A significant percentage of community contract funding is also allocated to educational agencies. The Children's Museum of Richmond and the Science Museum provide Chesterfield school groups with age-appropriate, Virginia Standards of Learning-based programs in natural sciences, history, and the arts. Other educational organizations provide adult literacy tutoring and ESL programs. John Tyler Community College and Richard Bland College receive county support for scholarship programs that directly benefit county students. The county will continue supporting the Virginia Commonwealth University School of Engineering with a second five-year commitment to regional education efforts. The FY2004 budget includes \$75,000 for this purpose and brings the total Chesterfield County contribution to the VCU Engineering School to \$1.1 million over an eleven-year period.

Visitation at the historic Citie of Henricus has grown from 5,000 in 1997 to 38,000 in 2002 and at Dutch Gap Conservation Area from 38,000 to 110,000 in the same period, having a significant and positive impact on Chesterfield tourism. The county will continue funding Henricus operating costs in FY2004 by providing additional support of \$50,000 to help offset the loss of state revenue this organization has sustained.

The county's newest strategic goal - to be responsible protectors of the environment - has long been sustained by support of Friends of Chesterfield's Riverfront, a non-profit organization that supports public interest goals, projects, and community activities along the James and Appomattox Rivers. Many county operations and capital improvement projects also support this goal.

As mandated by strategic goal number seven, the county is strongly committed to being the first choice business community, providing opportunities for businesses to locate, grow, and prosper in the community. The county contributes to numerous agencies in support of this goal. Among them are the Virginia Hispanic Chamber of Commerce, which has the only English-Spanish SBA-provided small business incubator system in the U.S. The Richmond

Metropolitan Convention and Visitors Bureau and Richmond Sports Backers are also recipients of county funding as the county continues to promote growth and development within the region and to identify opportunities for regional relationships that further common goals.

### **Convention Center Reimbursement**

Reimbursement for the Convention Center was established to account for the exchange of funds between the county and the Greater Richmond Convention Center Authority (GRCCA). During construction of the Center expansion, the county's 2% transient occupancy tax is pledged as security for the construction financing. The 2% tax is returned to the county at the end of the fiscal year. This reimbursement arrangement has no net financial impact on the county. Additionally, the county provides all proceeds from a 6% transient occupancy tax (in addition to the 2% tax) to GRCCA to finance the expansion. The totals in the above table show the combined 8% tax that is provided to GRCCA. The FY2004 budget includes a contribution to the Richmond Metropolitan Convention and Visitors Bureau (RMCVB) of \$525,104, which represents an increase of \$70,000 or 15.4% over FY2003. This additional funding will be used by RCVB to enhance its marketing and advertising programs including the launch of a new regional brand, "The Historic Richmond Region". These campaigns are designed to attract more business to the newly expanded Convention Center, which held its grand opening on February 28, 2003, and to the Henricus Historical Park, the Canal Walk, and the National Battlefield Park Visitors Center.

### **Employee Benefits**

Some costs related to employee benefits are budgeted in central accounts, rather than in individual departments. These costs include health care for retirees, the county's supplemental retirement program, and a portion of costs related to worker's compensation. Due to recommendations in the annual actuarial report, an increase of \$150,000 has been added for the county's contribution to the supplemental retirement program.

The FY2004 budget reflects a 2.5% performance-based merit increase for all eligible employees. This increase is reflected in individual department financial information and narratives. In addition, an

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adjustment based on years of service will be given to employees below the director level. With this additional increase, the average employee merit increase will be approximately 3% for FY2004. Funding for this change is budgeted in Employee Benefits and will be transferred to individual departments during FY2004. This and various other changes resulted in a net increase of 6% over FY2003.

### **Hydrant Rental**

For FY2002, the county changed its methodology for calculating the payment in lieu of taxes. Rather than basing this reimbursement on the costs of hydrant rental, the county now uses the estimated real estate and property tax revenue the Utilities Department would pay to the county if it were a separate and taxable entity in exchange for the use of fire hydrants for fire protection. Beginning with the FY2003 budget and continuing, the county began classifying this revenue of \$1,214,500 as a transfer from Utilities rather than a reimbursement in order to comply with GASB 34 guidelines. Estimated real estate and property tax revenue is the methodology being used to calculate the payment in FY2004 and beyond.

### **Nursing Home**

While the Nursing Home operates under the auspices of the Health Center Commission (HCC), the county has been subsidizing Nursing Home operations since FY94. The county's subsidies have been made in order to comply with the requirements of the Hill-Burton Public Facilities Act and in an effort to assist the HCC with operating shortfalls they

have been experiencing since inception. The county's obligation under the Hill-Burton Act ended in 1996, although subsidies to assist with operating shortfalls have continued.

Since FY94, the county has contributed over \$9.3 million to the HCC. In FY95, \$2.5 million was provided as a contribution towards the construction and renovation project; a loan of \$975,000 was made in FY2000 and is still outstanding with an anticipated payment of \$50,000 due by April 2003 with the balance of the loan due by April 2004. Annual subsidies totaling over \$4.3 million were made from FY94 through FY2002, and in FY2002, an additional advance of \$1.5 million was made to help reduce accounts payable balances as well as assist with on-going operations. These actions since FY94 total \$9.37 million.

In light of the \$1.5 million advance made in FY2002, no subsidy was given in FY2003 nor is a subsidy planned for FY2004 or beyond.

### **Tax Relief for the Elderly**

The cost of the elderly and disabled real estate tax relief program is anticipated to increase by 16% to \$2,081,500 in FY2004, and increase by an estimated 7% each year thereafter due to expected increased eligibility for this program. This program provides full or partial relief from real estate taxes for elderly or disabled individuals who meet specific income and net worth guidelines.